

# Fiscal Note

*Fiscal Services Division*



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**SF 439** – Tax Exemption for Veterans Trust Fund Income (LSB2672SV)  
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## **Description**

**Senate File 439** excludes travel expense reimbursements related to medical care and also additional unemployment assistance received through the Veterans Trust Fund from State personal income tax. The Bill is retroactive to January 1, 2009.

## **Background**

The Veterans Trust Fund expends interest from the Fund balance to assist qualified veterans. As of March 15, 2009, the Fund had a balance of \$6.8 million. Interest available for expenditure currently equals \$200,000 to \$300,000 per year.

## **Summary of Impacts**

Exempting travel reimbursements and additional unemployment assistance paid to qualified veterans from money in the Veteran's Trust Fund from State income tax will reduce net General Fund revenue by less than \$20,000 per year. If the balance in the Fund grows to \$40.0 million or more, the income tax exemption could reduce net General Fund revenue by as much as \$50,000 per year.

## **Sources**

State Accounting System  
Commission of Veteran's Affairs

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March 25, 2009

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to **Section 2.56, Code of Iowa**. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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